

TO: Governor
CC: Charlie Williams
FROM: John Arledge
DATE: April 4, 2005
SUBJECT: Budget

If the Legislature fails to reach an agreement on a budget by Tuesday, I think it would be in our best interest to call for a Budget Summit at the Mansion with the House and Senate leadership.

The symbolism of a Budget Summit would be strong, and it would position you as trying to solve the crisis and, at the same time, save the state from wasting \$40,000-a-day in a Special Session with all legislators in attendance.

The meetings could be private, a few hours each day, and end at a time of your choosing. You would not have to attend but rather make brief appearances to check progress.

I would suggest the Summit be announced this Thursday (4/7) to allow one full news cycle of expectation on Wednesday and to give you time to contact the legislative leaders by phone. The Summit could begin the following Thursday (4/14), last as long as you deem fruitful, and get us even further into the month to get a clearer picture on the possibility of new revenue. The consequence of them not reaching a budget agreement at the Summit would be you calling a Special Session and the House having to operate with no money.

Other than possible complaints about a non-public meeting, it would be hard for anyone to argue with this approach. If a deal is reached you would share in a great deal of the credit. If a deal is not reached you would simply call the Special Session having tried your best to avoid the delay and the cost.